



INSURANCE FRAUD INVESTIGATION DIVISION
Kentucky Department of Insurance
909 Leawood Drive, P. O. Box 4050, Frankfort, KY 40604-4050
Phone 502-564-1461 – FAX 502-564-1464
Fraud Statistics/Convictions Activity
May 2012

<u>Fraud Statistics</u>	<u>Month/May</u>	<u>YTD</u>
Total Referrals Received.....	170	855
Closed Referrals.....	200	791
Open Cases (Investigations – includes prior years).....		282
Assigned Cases (Investigations)	15	94
Closed Cases (Investigations)	14	42
Closed Cases (Investigations) Exceptionally.....		
Cleared – Declined by Prosecutor.....	1	3
Charges (15 felony, 0 misdemeanor)	15	50
Convictions (6 felony, 4 misdemeanor).....	10	56
Restitution Ordered..... \$	10,000	732,006.85
Restitution Agreed	\$ 0.00	771,188.00
Restitution Total..... \$	10,000	1,503,194.85
Investigation Expenses to Division		
Awarded..... \$	3719.90	19,939.69
Collected	\$ 145.83	2,001.62
Administrative Subpoenas Issued	0	7
Non-Licensed Individuals	0	7
Licensed (active/inactive individuals)	0	0
Subpoenas Received	1	18

Convictions Activity

Robert Eminhizer – Eminhizer presented two proof of insurance documents with the same policy number to the Kenton County Circuit Court. On the first, the insured's name, vehicle, vehicle identification number (VIN) and agent's name were altered. The second proof of insurance had the policy period, vehicle, VIN and agent's name altered. Eminhizer pleaded guilty to two counts of fraudulent insurance acts over \$500. Eminhizer was granted pretrial diversion for three years on each count to run concurrently. Eminhizer was also ordered to pay restitution of \$1,719 for investigative expenses to the Fraud Division, in addition to court costs.

Dan Ryan – Ryan presented altered/falsified certificates of insurance to the Lexington Fayette Urban County Government Building Inspection Division indicating that he had general liability and worker's compensation insurance in order to obtain work that needed proof of coverage. Ryan pleaded guilty to an amended charge of criminal attempt to commit fraudulent insurance acts over \$500. Ryan was sentenced to seven months, conditionally discharged after two years. He was fined \$250, payable to the Jessamine District Court Clerk, and ordered to pay court costs of \$164.

William Kirk – Kirk submitted bogus applications to AFLAC in the name of employees, as well as individuals that were not employees, for the businesses Work Force Processing and B & B, Inc. Kirk pleaded guilty to three counts of fraudulent insurance acts over \$500. Kirk was sentenced to five years in prison, which was probated for 10 years. He was ordered to pay \$19,000 in restitution to AFLAC Insurance and \$1,000 to the Fraud Division for investigative expenses.

Linda Gilmour (Foley) – Foley collected survivor benefits from her deceased husband's life insurance policy even though the policy stated she was only to receive those benefits as long as she did not remarry. She did remarry and continued to collect the benefits, submitting yearly certifications stating she had not remarried. Foley pleaded guilty to the amended charges of criminal attempt to commit fraudulent insurance acts over \$500. Foley was sentenced to 12 months, conditionally discharged after two years, and ordered to pay \$13,800 in restitution.

DCX, Inc./Thomas Glogower – Glogower submitted a false certificate of liability insurance as proof of insurance. Glogower pleaded guilty to one count of attempted fraudulent insurance acts under \$300. He was sentenced to pay a fine of \$100.

Carl Raisor – Raisor was creating bogus business and rebating as an agent for AFLAC. Pretrial diversion was granted and Raisor was placed under the supervision of probation and parole for five years. Raisor was ordered to pay restitution of \$12,000, plus 5 percent interest, for a total of \$12,600. The Fraud Division will receive \$2,000 with the remainder going to AFLAC.

Ron Darnell – Darnell presented a false certificate of insurance for his painting company. Darnell was convicted of two counts of fraudulent insurance acts greater than \$300 and was sentenced to one year on each count to run concurrently for a total sentence of one year. The sentence was diverted for five years. Darnell was ordered to pay restitution of \$274.77 and \$2,811.75 for investigative expenses.